



Coronavirus

Some Things Your Business Must Consider - NOW

The coronavirus pandemic is affecting small businesses in a variety of ways. From loss of business to remote work, things are changing fast during the COVID-19 outbreak and businesses are being forced to adapt.

Here are some recommended actions that small business owners can take to mitigate risk, protect employees and support customers during the COVID-19 pandemic.

1) Control Expenses:

Do not make any large capital expenditures

Work with suppliers to get extended payment terms or discounts

Return to suppliers or sell off any used/dormant assets

2) Work your accounts receivable:

Call/email/text all accounts in the 30 day + column to ask for payment

Offer discounts to accounts that are willing to pay COD

3) Establish a remote work option:

Implement a remote work – dispatch policy that covers when you expect your team to be available, how to communicate (via email, text, phone or video call, for instance), and what deliverables each team member is responsible for completing.

4) Reduce meetings and travel:

Try to keep opportunities for exposure to the virus to a minimum. Postpone any team meetings or hold them virtually. Skip any conferences or other planned business travel. If your workers get sick because of travel or meetings, you could have a liability issue on your hands, or you will have to manage low morale and sick leave requests.

5) Give employees flexibility:

Schools across the country are closing, as are offices, stores, businesses and commercial centers. With the country slowly moving toward total lockdown, you will need to be flexible with your employees' time. Some team members may have to leave unexpectedly if their child's daycare closes. Others may have students who come home from school for spring break and aren't able to return. Try to be as understanding as possible when something comes up and have a contingency plan in case you suddenly become short-staffed.

Tell employees to stay home if: they are feeling sick or if they have a sick family member in their home.

6) Communicate transparently with customers and employees:

Everyone is facing this crisis together, so be transparent about what your business is going through. Customers and employees can empathize with companies facing a crisis, as long as you communicate with them properly. ROI Business Advisors believes that it is better to over communicate with employees and customers in this situation.

Bring your entire team together via conference call and explain how you expect this situation to impact your business and most importantly how this impacts them.

Schedule conference calls with the appropriate team members to discuss ideas and make decisions if they are not physically with you in the office. Keeping team members informed and relaxed as possible is a key to maximizing their productivity.

As the Harvard Business Review reports, “When customers are separated from the work that’s being done behind the scenes to serve them, they appreciate the service less and then they value the service less.” Describe the steps you’re taking to mitigate risk and give them insight into the steps you’re taking to help the community.

7) Disaster assistance loans from the SBA:

The SBA has created a comprehensive Coronavirus page with all of its resources in one place.

The SBA announced it would offer disaster assistance loans for up to \$2 million for small businesses affected by the coronavirus. These low-interest loans are available to businesses that have sustained “substantial economic injury” due to the spread of the coronavirus.

8) Practice Good Hygiene:

Stop handshaking – use other noncontact methods of greeting

Clean hands – remind employees to regularly wash their hands and use sanitizers

Disinfect surfaces like doorknobs, steering wheels, tools, desks and handrails regularly

Handle Food Carefully: Eliminate food sharing

9) Make certain that all employees are productive during work hours:

Is there enough work for your employees to complete?

If no, consider having employees take their vacation/sick time.

Government is allowing for employees that are laid off to immediately collect unemployment benefits. What is the best strategy for your company?

10) Improving the company during the crisis:

How can you use this situation to your company's advantage? How can you actually use this to help you grow your business in the long term? Are there actions you should have been taking or did not have the time to take while running your business that you can now take? If you had more time to work on your business, what are the top 5 areas in which you would invest more time? As crazy as this sounds, in the end your company could benefit from this situation as some of your competitors may not survive this crisis, which could increase your sales in the future.

When this situation is over, and there is pent up demand for your products/services, what will you do to leverage that? Should you change your pricing policy during or after this crisis? You don't want to give away profit to get some cash flow now, nor price gouge as a result. Your pricing strategy needs to be well thought-out.

11) Communicate with your business advisor:

Call Tom Hoarty at 781-929-5785 or email tom@roibusinessadvisors.com for solid advice to help you survive during this time:

All the best,

Tom Hoarty

Tom Hoarty - Senior Business Advisor

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